

# King County Benchmarks

# Economics

## 2004

### Highlights





#### Wages and Income Rise Modestly But Income and Education Disparities Also Grow

By mid-2003, employment in King County was once again on the rise, after more than two years of recession and job loss. There was an increase of 20,000 jobs between the first quarter and the fourth quarter of 2003.

Wages, which had shown a loss in real (after inflation) dollars from 2000 to 2002, are again gaining ground over inflation. The average wage, in current dollars, now stands at \$49,000, compared to \$47,900 in 2002.

It has been more difficult to track household income through the recession period. The U.S. Department of Housing and Urban Development (HUD) recently revised downward its estimates for King County family income, having overestimated incomes in the County from 2001 to 2003. This change is reflected in our new household income estimates for 2001 to 2003. Household income probably stagnated during the recession. With some improvement in employment and wages, the current estimate is for a median income of \$60,400 for the "average-sized" household in King County of 2 -3 persons.

#### Indicator Flags

-  There has been a long-term trend in a positive direction, or most recent data shows a marked improvement.
-  There has been little significant movement in this Indicator, or the trend has been mixed.
-  There has been a long-term negative trend, or the most recent data shows a significant downturn.
-  There is insufficient reliable data for this Indicator.

#### Outcome: Promote Family-Wage Jobs

#### Indicator 1: Real Wages Per Worker

##### Countywide Planning Policy Rationale

"Economic development is growth and change in the economy whereby the economic health of the region...is enhanced. An important component...is...the maintenance and creation of higher (family) wage jobs." (CPP FW-35) "Jurisdictions' comprehensive plans shall address the historic disparity in income and employment opportunities for minorities, women, and economically disadvantaged individuals" (CPP ED-12)

#### Key Trends

- In 2003, King County's average annual wage per worker rose slightly in real (after inflation) dollars, compared to 2002.
- After a decade of growth in real wages, they reached a peak in 1999, declined slightly in 2000 - 2002, and are once again on the upswing.

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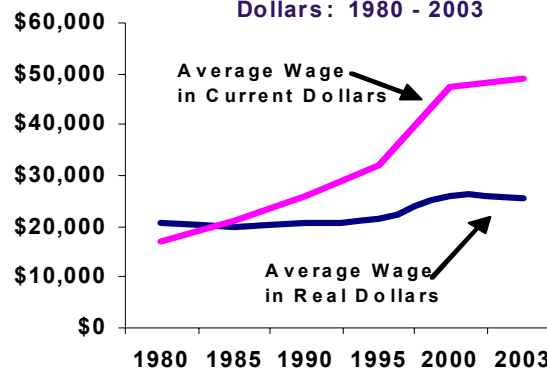
These indications of a modest recovery are encouraging. However, the Countywide Planning Policies also address the issues of income disparity, living wage, and poverty. The long-term trends in these areas are moving in the wrong direction. Indicator Three shows that the percent of King County's population that is below poverty level has increased from 8.0% in 1990 to 9.2% in 2002. About 35% of King County households have incomes less than the "living wage" for their household size.

The distribution of income in the County has changed during the 1990 - 2002 period as well, with those earning less than 50% of median income increasing from 21.4% to 22.8%. Middle income groups declined slightly as a proportion of the population, and the highest income group - those earning over 150% of the median income - increased from 28.9% to 30.5%.

New, more accurate data on the percent of high school students graduating within four years indicates that only 66% of King County public school students graduate "on time" with their cohort. Large disparities between ethnic groups and among different school districts in the County indicate that we have much work ahead to help all students to succeed in school.

- In current dollars, the average wage in King County was \$49,000 in 2003.

Fig. 1.1. Average Wage in Current and Real Dollars: 1980 - 2003



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## Metropolitan King County Countywide Planning Policies Benchmark Program

### Indicator 1 (continued)

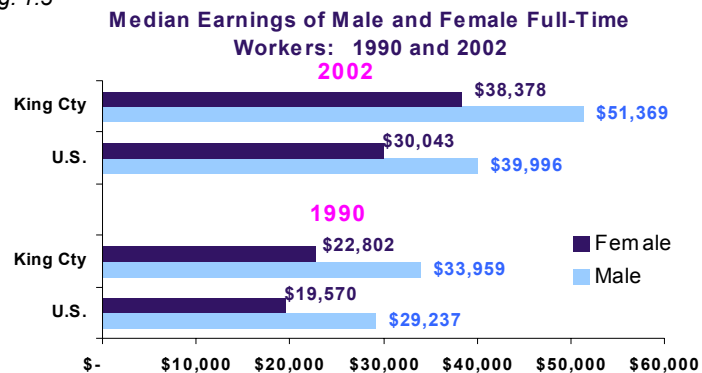
- When the software sector is excluded, the average wage in King County was \$44,340 in 2003.
- Wages in the software publishing sector were about \$169,000 in 2003, about the same as in 2002, and still much higher than other sectors.
- The annual rise in average wages (in current dollars) was approximately 2.3%.
- These wages reflect the situation of those who were working. They do not reflect the income of the 6.8% of the workforce who were unemployed during 2003.\*
- A "living" or "family" wage in King County would have been about \$43,000 in 2003 for a household with one working adult and two dependents. This is equivalent to \$21.50 per hour, or about three times the minimum hourly wage. A living wage is one which covers basic needs, including very modest savings, without government assistance.
- Some workers are not employed full-time year round. With a median earnings of \$35,000 for all workers, and \$45,000 for full-time, year-round workers, about half of King County's workers make less than the wage needed to support a family with one worker and two dependents. About 35% of all households in the County have total incomes less than the living wage.

Fig. 1.2

| Average Wages Per Covered Worker in King County          |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
|  | 1980     | 1985     | 1990     | 1995     | 2000     | 2001     | 2002     | 2003     |
| Average Wages in Real Dollars                            | \$20,690 | \$20,050 | \$20,590 | \$21,570 | \$26,030 | \$25,610 | \$25,300 | \$25,480 |
| Average Wages in Current Dollars                         | \$17,110 | \$21,170 | \$26,110 | \$32,210 | \$47,240 | \$47,230 | \$47,900 | \$49,000 |
| Average Wages in Current Dollars without Software Sector |          |          |          |          | \$39,800 | \$41,200 | \$43,400 | \$44,340 |

- In 1990, the median earnings of year-round full-time females throughout the U.S. was about 67% of the earnings of their male counterparts. In 2002, women in King County earned 74.7% of what men earned, while in the U.S. as a whole women earned about 75.1% of men's earnings.

Fig. 1.3



\*This is the official Washington State Employment Security Department average unemployment rate for 2003. Higher estimates of the unemployed may include those who are no longer collecting unemployment compensation or actively looking for work, and thus are not defined as "unemployed" by the ESD.

### Outcome: Increase Income and Reduce Poverty

#### Indicator 2: Per Capita Personal Income and Median Household Income: King County Compared to the United States



#### Countywide Planning Policy Rationale

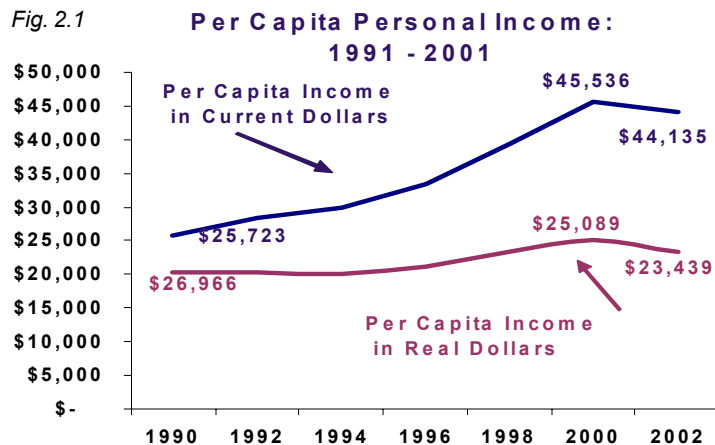
"Jurisdictions should cooperatively create an environment which sustains the economic vitality of the region....An important component...is ...the maintenance and creation of higher (family) wage jobs." (CPP IX, Intro., FW-35) "Jurisdictions' comprehensive plans shall address the historic disparity in income and employment opportunities for minorities, women, and economically disadvantage individuals." (CPP ED-12)

#### Key Trends

##### Per Capita Personal Income

- In 2002, per capita personal income for King County residents fell slightly from its very high levels of 2000 and 2001. It remains higher than in 1999.
- At \$44,135, it was 143% of the national per capita income, down from a high of 155% in 2000.

Fig. 2.1



(continued on page 3)

Indicator 2 (continued)

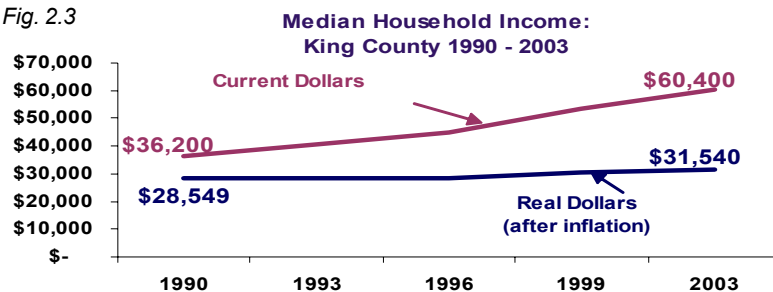
**Median Household Income**

The table below represents a revision of household income estimates for the past few years. For census years, median household income for King County is based on the U.S. Census. For interim years it has been based on the Housing and Urban Development (HUD) estimates of median income in King County. However, in 2002 - 2003, HUD overestimated median income in King County, not sufficiently accounting for the effects of a recession. In 2004 it published a new median income for a household (family) of four that was lower than its earlier estimates for 2002 - 2003. For 2001 we have maintained the H.U.D. estimate for that year. For 2002 and 2003, the revised H.U.D. income estimate is used. It is likely that income grew more gradually than this table shows, but we have no other reliable source for these interim years. Fig. 2.2

| Median Household Income as a Percent of the U.S. Median |          |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|----------|
| Year  | 1970     | 1980     | 1990     | 2000     | 2001*    | 2002*    | 2003*    |
| Percent of US median household income                   | 117%     | 117%     | 121%     | 126%     | 132%     | 140%     | 140%     |
| Median Household Income in Real Dollars                 | \$26,237 | \$25,142 | \$28,549 | \$30,505 | \$30,315 | \$32,076 | \$31,540 |
| Median Household Income in Current Dollars              | \$10,200 | \$20,700 | \$36,200 | \$53,200 | \$55,900 | \$60,400 | \$60,400 |

- Median household income for King County in 2003 is estimated at \$60,400. This downward revision from H.U.D.'s estimates of the past few years reflects a more realistic assessment of the effects of the recession from 2001-2003.
- Even with this revision, both current dollar and real dollar income is higher in 2003 than it was in 2000.
- Although unemployment has hovered around 7% for this period, wages for those who are employed have continued to rise modestly.

Fig. 2.3

**What We Are Doing to Stimulate King County's Economic Growth**

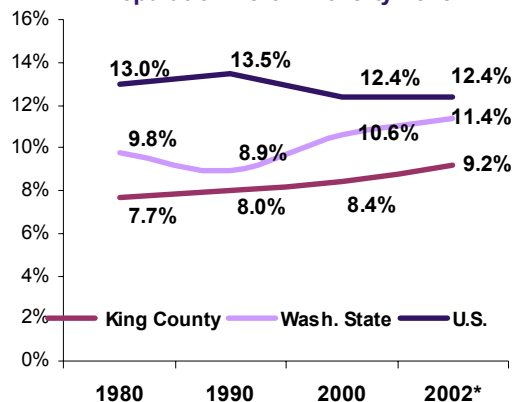
- Participating in a public-private partnership to develop a Bioscience Seed/Startup Fund that will finance new bioscience companies.
- Partnering with cities, community colleges, the Port, and other entities to develop small business development centers in unserved areas of the county. These centers provide financial, marketing, operations and other technical assistance to small businesses to help them remain in business and/or expand.
- Conducting Export Promotion Symposia to demonstrate to manufacturers, software companies, and business service providers the financial benefits of exporting, while debunking the myths about the difficulty of exporting.
- Establishing the Contracting Opportunities Program to provide incentives that encourage the use of small economically disadvantaged businesses on County goods and services, consulting and construction contracts.
- Partnering with the Bellevue School District to create a class at Sammamish High School called Tomorrow's Entrepreneurs. This semester class teaches high school students how to research, write, and fund a business plan for a startup business.
- Increasing the percentage of apprentices working on county-funded construction projects from 11.37% in 2002 to 16.25% in 2003.
- Through the King County Jobs Initiative, training and placing 100 low-income adults in White Center in jobs paying an average of \$10.77/hour plus benefits. 84% of the people placed were still working one year after placement.

**Outcome: Increase Income and Reduce Poverty****Indicator 3: Percentage of population below the poverty level.****Countywide Planning Policy Rationale**

"An important component of achieving economic development is through...the empowerment of economically disadvantaged citizens and neighborhoods...."  
 "(CPP FW-35) "Jurisdictions shall develop strategies and support community-based actions to involve minorities, women and economically disadvantaged individuals in improving their economic future" (CPP ED-12)

**Key Trends**

- The poverty rate in King County in 2002 was 9.2%. A family of four was considered in poverty if its annual income was under \$18,300 in 2002, and an individual with an income under \$9,350 was considered to be living in poverty. The poverty rate is set at the federal level, and does not account for local variation in the cost of living.
- The percent of the population living in poverty in this County has risen slowly over the last three decades. It is nearly 20% higher than in 1980.

**Population Below Poverty Level**

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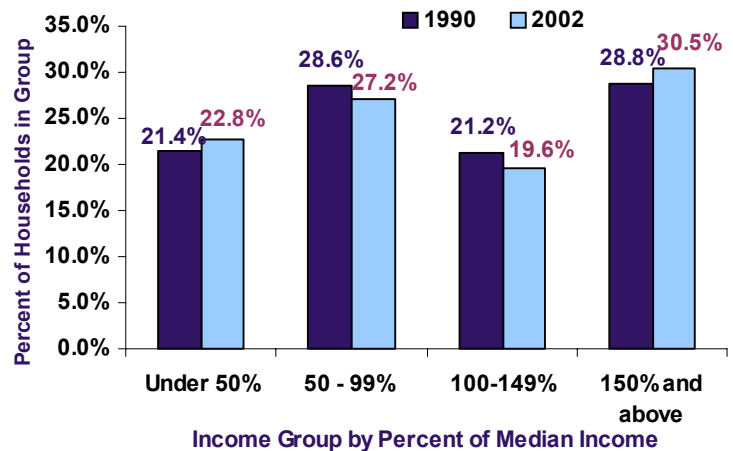
## Metropolitan King County Countywide Planning Policies Benchmark Program

### Indicator 3 (continued)

- King County's poverty rate remains significantly lower than the national rate. However, the national rate has declined by a full percentage point since 1990, while the King County rate has risen one and a half percentage points.
- The distribution of income in the County has changed as well. There are fewer households in all the middle income groups and more households in the lowest and highest income groups compared to 1990.
- The poorest households - those earning under 30% of median income (less than \$16,500) - have grown from 11.1% of all households to 13.2%. This means about 15,000 more households are very low income.
- At the same time, nearly 2% more households now earn over 150% of the median income.

Fig. 3.2

### Household Income Distribution in 1990 and 2002



### Outcome: Increase Business Formation, Expansion and Retention

### Indicator 4: Number of New Businesses Created.

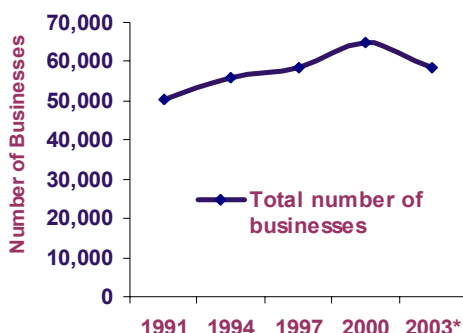


#### Countywide Planning Policy Rationale

"Local jurisdiction's comprehensive plans shall include policies intended to foster...a business climate which is supportive of business formation, expansion, and retention and recognizes the importance of small businesses in creating new jobs...." (CPP ED-6) "Where appropriate, jurisdictions' plans shall include policies intended to attract and retain industries, firms and jobs, within their locally determined or zoned manufacturing and industrial areas." (CPP ED-8)

*This measure captures business vitality, optimism, entrepreneurial activity, business climate and innovation. As the climate changes, economic vitality is affected, and more new business are created or lost.*

Fig. 4.1 Total Number of Businesses in King County: 1991 - 2003



*\*2003 data may not be strictly comparable to earlier years. In the 4th quarter of 2003, the WA State Employment Security Department was able to cleanse their system of inactive firms, resulting in a reduction of about 7,000 employer units or businesses. Because of that, the total for 2003 is based on the first three quarters of 2003 to make it more comparable to data from earlier years. However, because of the presence of many inactive units in these totals, real net change is difficult to determine. Some of the downturn that appears in 2003 may have occurred much earlier.*

Fig. 4.2

| New Businesses Created, King County                          |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
|  | 1991   | 1994   | 1997   | 2000   | 2003*  |
| Total number of businesses                                   | 50,501 | 55,813 | 58,485 | 65,042 | 58,425 |
| Number of Net Businesses Gained or Lost in Preceding 3 Years |        | 5,312  | 2,672  | 6,557  | -6,617 |
| Average Annual Change in Preceding 3 Years                   |        | 3.4%   | 1.6%   | 3.6%   | -3.5%  |

\*See note below Fig. 4.1

### Key Trends

- There was a net decline in the number of businesses in King County between 2000 and 2003. An initial decline showed up between 2000 and 2001, but there appeared to be a slight rebound in business formation between 2001 and 2002.
- Another sharp decline appears to have occurred from 2002 to 2003. However, because of changes in the processing of the business and employment data, this decline may be partly the result of data anomalies. Some of that decline may have actually occurred in previous years.
- Given the serious recession occurring from 2001 to mid-2003, it is likely that the region has indeed seen a significant loss in business units over the course of the three-year period.
- As Fig. 4.1 and 4.2 show, the number of businesses in the county is now at approximately the same level as it was in 1997. This level is about 11% higher than it was in 1991.
- The number of employees rose in the second half of 2003, and the unemployment rate in King County had fallen to 5.5% (seasonally-unadjusted) by August 2004. With employment and confidence on the rise, 2004 may show a net increase in new businesses.

## Outcome: Increase Business Formation, Expansion and Retention

## Indicator 5: Number of New Jobs Created, by Employment Sector



## Countywide Planning Policy Rationale

"Local jurisdictions and the County shall work cooperatively on a regional basis and invite private sector participation to evaluate the trends...and to analyze the economic needs of key industries. Local jurisdictions...shall include policies intended to foster...a business climate which is supportive of business formation, expansion, and retention and recognizes the importance of small businesses in creating new jobs. Jurisdictions shall cooperate to establish economic diversification and development goals for the multi-County region [and]...identify the contribution they will make." (CPPs ED-6, ED-7)

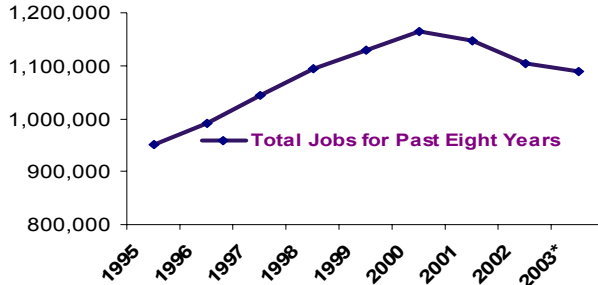
There has been a change in the classification system for industries and jobs. Beginning with 2002 data, the Washington State Employment Security Department (ESD) shifted from the older Standard Industrial Classification (SIC) system to the North American Industrial Classification System (NAICS). This change in classifications means that it is not possible to compare 2003 employment data by sector (only classified by NAICS code) with any year prior to 2002 (which was classified by both SIC and NAICS). We know the long-term trends in King County employment by sector from 1980 - 2002, and we can now begin to trace changes from 2002 on. Direct comparison by sector between 1980 or 1990 and 2003, however, is not possible.

## Key Trends

- The number of jobs in King County declined by 14,642 from 2002 to 2003. This follows on losses of about 19,000 jobs in 2001 and 43,600 jobs in 2002 - a net loss of over 77,000 jobs since 2000.

Fig. 5.1

## Total Jobs in King County: 1995 - 2003



## Long Term

- While the recession in King County has been grave, it followed upon an upward cycle from 1990 to 2000 in which 242,000 jobs were gained. Even with the loss of 77,000 jobs, we have experienced a net gain of 165,000 jobs since 1990, 137,000 of them since 1995.
- The greatest job gains over the past decade have been in the information sector (software and other publishing, broadcasting and communications), and in both professional and non-professional services.
- The long-term jobs losses have occurred mainly in aerospace manufacturing.

## Short Term

- Sectors which gained jobs during the 2002 - 2003 period included the credit industry (including mortgage brokers), real estate, management, health care and social services, software and other publishing, arts and recreation, food service, and accommodation industries.
- Job losses were widespread, but particularly acute in manufacturing, professional and technical services, finance and telecommunications.
- There has been an upturn in total jobs from mid-2003 through 2004, signalling a slow, but significant recovery from the recession.

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Fig. 5.2

## Net Change in King County Jobs by Sector: 2002 - 2003

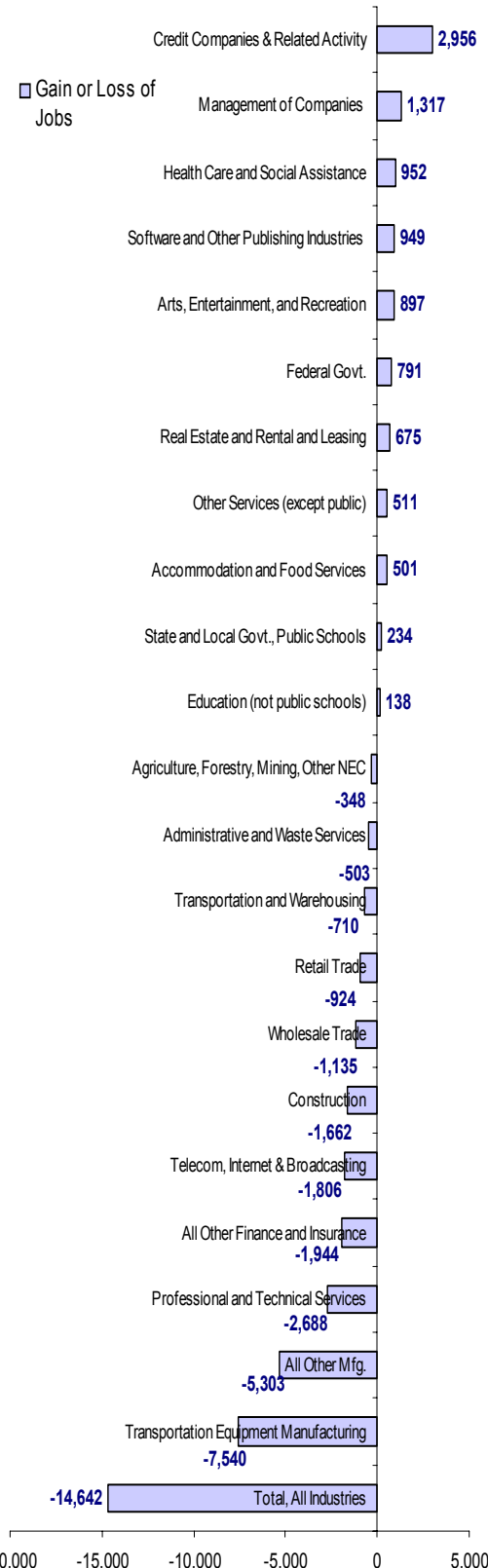




Fig. 5.3

**King County Employment by Sector: 2003**

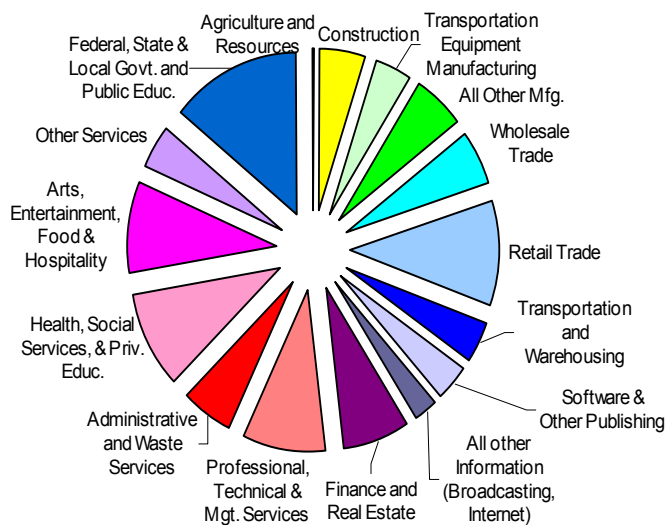
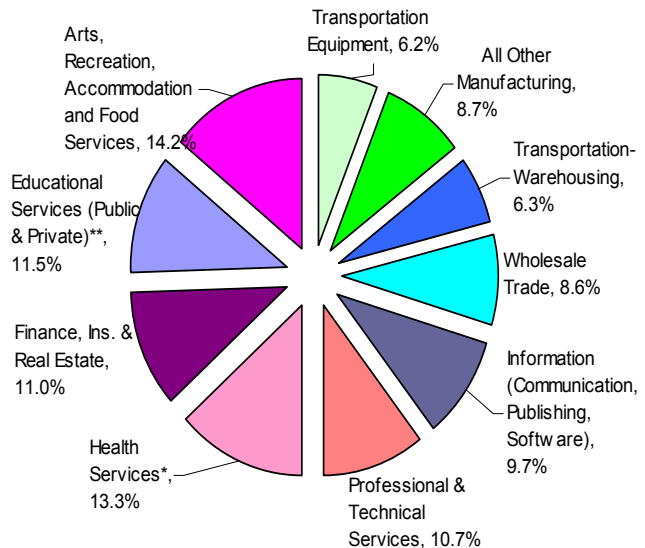


Fig. 6.1

**2003 King County Employment in Sectors that Export**



## Outcome: Increase Jobs that Add to King County's Economic Base

### Indicator 6: Employment in Industries that Export from the Region



#### Countywide Planning Policy Rationale

"Local jurisdictions' plans shall include policies that actively support the retention and expansion of the economic base....Local jurisdictions' comprehensive plans shall include policies intended to foster the development and retention of those businesses and industries that export their goods and services outside the region. These businesses and industries are critical to the economic strength and diversification of the economy." (CPP ED-6)

Export or basic sectors are those which contribute to the economic base by exporting to the rest of the state, nation and the world. Services as well as goods may be "exported", i.e. they serve a significant portion of clients who reside outside the County. The figures shown reflect all employment in sectors that export; however, not all employment in these sectors is directly related to exports.

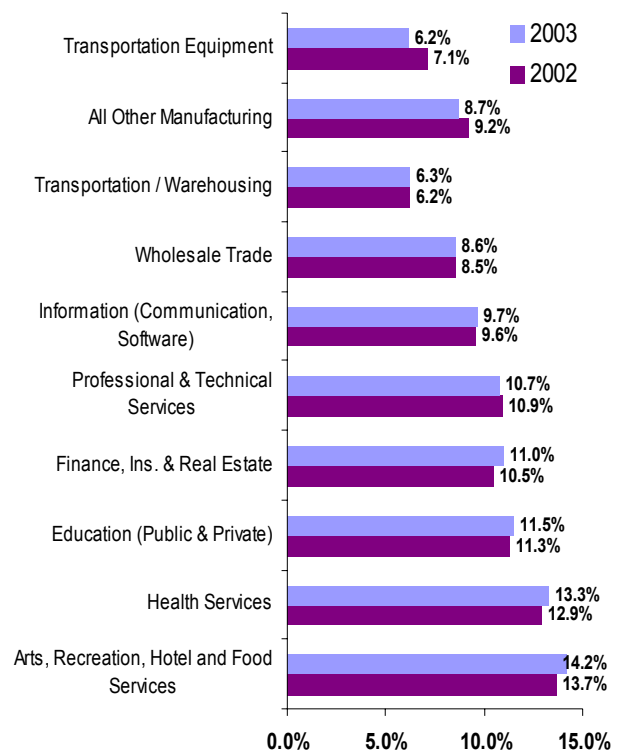
#### Key Trends

- Figures 5.3 and 6.1 illustrate the diversity of the King County economy - in which no sector dominates over all the others.
- Today, no export sector employs more than 15% of the County's total "export sector" employees. Aerospace and all other manufacturing combined represent about 14.9%.
- This is a major change from 1980 when transportation equipment manufacturing (mainly aerospace) represented nearly 23% of jobs in the export sector, and other manufacturing represented another 20% of those jobs.
- While manufacturing remains an important base, when it is aggregated with other goods-related sectors such as wholesale trade, warehousing, and transportation, the total represents just 30% of the export economy.
- The information sector, including software publishing, telecommunications, internet and other publishing, represents just under 10% of all jobs in the export sectors.

- Services account for over 60% of all jobs in the export sector. The largest cluster after manufacturing is that of arts, entertainment, accommodation, and food, all of which serve visitors as well as local residents.
- Health services employs over 13% of the export workforce. Professional, financial, and educational services each employ around 11% of all those working in the export sectors.

Fig. 6.2

**Percent of Export Jobs in Each Sector: 2002 - 2003**



## Outcome: Increase Educational Skill Levels



## Indicator 7: Educational Background of Adult Population

## Countywide Planning Policy Rationale

"An important component of achieving economic development is through...improved job training and educational opportunities..." (CPP FW-35) "Job training, retraining, and educational opportunities are critical to develop and maintain a highly skilled workforce" (CPP, ED-13)

## Key Trends

- 42% of King County residents have a bachelor's degree or higher, and 91% have graduated from high school, making this one of the most highly-educated communities in the country.
- In the U.S. as a whole, just 26% have a bachelor's degree, and 83% have graduated from high school.
- King County's Department of Community and Human Services provides a variety of work training and youth stay-in-school programs, including Youth Source, Community College Learning Centers, Opportunity Skyway, New Start, and YouthBuild.

Fig. 7.1

| Educational Background of Adult Population in King County |      |      |      |      |       |
|---|------|------|------|------|-------|
| Percent of population over 25 with:                       | 1970 | 1980 | 1990 | 2000 | 2002* |
| High School Diploma or Higher                             | 69%  | 83%  | 88%  | 90%  | 91%   |
| Some college (includes A.A. degree)                       | 16%  | 23%  | 32%  | 31%  | 31%   |
| Bachelor's Degree or Higher                               | 17%  | 26%  | 33%  | 40%  | 42%   |

\*Based on American Communities Survey 2002 (U.S. Census Bureau), not decennial census

## Outcome: Increase Educational Skill Levels



## Indicator 8: High School Cohort Graduation Rate

## Countywide Planning Policy Rationale

"An important component of achieving economic development is through...improved job training and educational opportunities..." (CPP FW-35) "Job training, retraining, and educational opportunities are critical to develop and maintain a highly skilled workforce. Jurisdictions shall cooperate in efforts to meet these training and educational needs on a Countywide basis." (CPP, ED-13)

*\*Please note that the estimated graduation rates for 2001 and 2002 are not comparable to 2003. The Washington State Office of the Superintendent of Public Instruction (OSPI) has been refining its data and methodology over the last few years in order to supply an accurate "cohort graduation rate". This rate measures the percent of students who graduate "on time" in the spring of their fourth year of high school. The cohort graduation rate for 2003 is the outcome of more complete dropout data for 9th, 10th, and 11th grades than in previous years, and a more accurate accounting for transfers in and out of a district. The 2003 result is a more realistic appraisal of the actual "on-time" cohort graduation rate than in 2001 and 2002.*

*The rate of those "remaining in school" at the end of 12th grade (reported only for 2003) is significantly higher than the "on time" graduation rate. It indicates that many students are still in the educational system at 12th grade, but will not graduate "on time". It is unknown how many of these will eventually receive a high school or community college diploma or a G.E.D., or will never complete high school.*

## Key Trends

- The rate of students in the class of 2003 graduating "on time" was 66.3%. This is the aggregated "cohort graduation rate" for all King County public school districts. The denominator for this measure is students beginning 9th grade in 1999 in King County public schools, minus transfers out, and plus transfers in.
- A 2002 nationwide study by the Manhattan Institute put the nationwide 2001 cohort graduation rate at 70%, and Washington State's at 66%. Washington ranked 39th among 50 states in its public school graduation rate.
- Among the King County districts, the highest rate was 95.2% in Mercer Island. The next highest rates were in Enumclaw and Riverview with 88.8% and 88.5% respectively.
- Highline has the lowest cohort graduation rate at 43.2%. Seattle's rate is barely over 50%. Snoqualmie Valley and Renton also had 2004 rates below 60%. (continued on page eight)

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## Metropolitan King County Countywide Planning Policies Benchmark Program

(Indicator 8, continued)

Fig. 8.1

| Cohort Graduation Rate in King County School Districts: 2003 |                                   |   |  |                                |
|--|-----------------------------------|---|--|--------------------------------|
| School District  | Class of 2001                     | Class of 2002                               | Class of 2003                          |                                |
|  | Estimated Cohort Graduation Rate* | Estimated Cohort Graduation Rate (Revised)* | Remaining in School at end of Grade 12 | On-Time Cohort Graduation Rate |
| Auburn   | 79.0%                             | 76.4%                                       | 77.1%                                  | 75.8%                          |
| Bellevue   | 82.8%                             | 76.2%                                       | 91.8%                                  | 78.4%                          |
| Enumclaw   | 88.9%                             | 92.2%                                       | 92.6%                                  | 88.8%                          |
| Federal Way  | 70.3%                             | 65.4%                                       | 79.2%                                  | 61.6%                          |
| Highline   | 60.9%                             | 57.0%                                       | 52.9%                                  | 43.2%                          |
| Issaquah   | 89.3%                             | 88.7%                                       | 96.6%                                  | 86.0%                          |
| Kent   | 85.1%                             | 82.2%                                       | 70.9%                                  | 67.7%                          |
| Lake Washington  | 81.3%                             | 86.2%                                       | 95.4%                                  | 84.8%                          |
| Mercer Island  | 95.5%                             | 93.4%                                       | 99.7%                                  | 95.2%                          |
| Northshore   | 87.2%                             | 90.4%                                       | 97.7%                                  | 86.4%                          |
| Renton   | 77.2%                             | 51.4%                                       | 69.7%                                  | 59.2%                          |
| Riverview  | 78.5%                             | 86.2%                                       | 92.3%                                  | 88.5%                          |
| Seattle  | 74.1%                             | 53.2%                                       | 71.5%                                  | 50.2%                          |
| Shoreline  | 72.2%                             | 79.8%                                       | 92.3%                                  | 82.7%                          |
| Skykomish  | 66.7%                             | 57.1%                                       | 80.0%                                  | 80.0%                          |
| Snoqualmie Valley  | 66.7%                             | 61.5%                                       | 78.0%                                  | 53.8%                          |
| Tukwila  | 67.3%                             | 65.5%                                       | 80.4%                                  | 66.7%                          |
| Tahoma   | 64.8%                             | 61.5%                                       | 74.8%                                  | 62.8%                          |
| Vashon   | 80.5%                             | 73.1%                                       | 84.3%                                  | 77.9%                          |
| <b>Total KC</b>  | <b>77.7%</b>                      | <b>70.4%</b>                                | <b>79.0%</b>                           | <b>66.3%</b>                   |

The **King County Countywide Planning Policies Benchmark Program** is a program of the Metropolitan King County Growth Management Planning Council. Reports on the Benchmark Indicators are published bimonthly by the King County Office of Budget. A companion to these reports is the **King County Annual Growth Report**. All reports are available on the Internet at <http://www.metrokc.gov/budget/>. For information about the **Benchmark Program**, please contact Rose Curran, Program Manager (206) 205-0715, or e-mail: [rose.curran@metrokc.gov](mailto:rose.curran@metrokc.gov). Mailing address is King County Office of Budget, Room 420, King County Courthouse, Seattle, WA 98104.

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- While about 21% of the 2003 cohort dropped out sometime during their high school career, at the end of 2003, 79.0% of the cohort were still enrolled in high school. However, only 66.3% of the cohort graduated "on time".
- The remaining (or "continuing") students are those who had not yet successfully completed all graduation requirements. Some of those may finish in a few months, others in the course of another year of high school. It is not known how many of the "continuing" students eventually get a high school diploma, get a G.E.D. or otherwise continue their education.
- There are continuing significant differences in graduation and dropout rates among different groups.
- In King County only 36.5% of American Indians, and about 42% of Black and Hispanic students graduated with their cohort. These groups fared slightly better at the state level, where 42% of American Indians, and 48 - 50% of Black and Hispanic students graduated on time.

Fig. 8.2

| 2003 Cohort Graduation and Dropout Rates in Washington State and King County by Ethnicity |                         |  |                         |                     |
|---|-------------------------|--|-------------------------|---------------------|
| Ethnic Group  | WA State                | King County                                    |                         |                     |
|   | On-time Graduation Rate | Percent remaining in cohort at end of Grade 12 | On-time Graduation Rate | Annual Dropout Rate |
| American Indian   | 41.8%                   | 52.6%  | 36.5%                   | 14.8%               |
| Asian   | 71.0%                   | 80.5%  | 69.0%                   | 5.3%                |
| Black   | 48.3%                   | 62.5%  | 42.7%                   | 11.0%               |
| Hispanic  | 49.5%                   | 62.8%  | 41.9%                   | 10.7%               |
| White   | 69.7%                   | 84.1%  | 73.5%                   | 4.2%                |
| <b>All</b>  | <b>65.7%</b>            | <b>79.0%</b>                                   | <b>66.3%</b>            | <b>5.7%</b>         |

\*The annual dropout rate affects each cohort four times. Hence the overall dropout rate for a cohort is roughly four times the annual rate, although some individuals may dropout, and return, or dropout again.

### Indicator 1: Real Wages Per Worker

**Data Source:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State Employment Security Department (ESD): 1980 - 2003. U.S. Census Bureau, *Decennial Census of Population: 1990 and 2000*; *American Community Survey*, 2002. Northwest Federation of Community Organizations for estimate of living wage.

### Indicator 2: Personal Income and Median Household Income

**Data Sources:** Fig.2.1 and Fig. 2.2: *Local Area Personal Income and Washington Total Personal Income and Per Capita Personal Income* (by county), Bureau of Economic Analysis, U. S. Department of Commerce. Per capita personal income table are available on the web at <http://www.bea.gov/>. Also the *Decennial Census of Population* for median household incomes in 1970, 1980, 1990 and 2000. Department of Housing and Urban Development (HUD) Median Family Income and Income Eligibility Limits by Household Size, 1991 - 2004, available on the web at <http://huduser.org>. Household income includes all sources of income and typically includes more than one worker, hence median household income is higher than per capita personal income. HUD revised downward its family income estimates for King County in 2004, recognizing that it had overestimated income during the recession period.

### Indicator 3: Percentage of Population in Poverty

**Data Source:** *Decennial Census of Population: Social and Economic Characteristics*, Washington, 1980, 1990 and 2000. *American Community Survey*, 2002. [www.census.gov](http://www.census.gov)

### Indicator 4: New Businesses Created

**Data Source:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State ESD: 1980 - 2003. The figures presented are net figures which account for business closures.

### Indicator 5: New Jobs by Employment Sector

**Data Source:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*, Washington State ESD, 1980 - 2003.

## Data Sources

### Indicator 6: New Jobs in Sectors that Export

**Data Sources:** *Employment and Payrolls in Washington State by County and Industry, Annual Averages*. Washington State Employment Security Department (ESD). 1980 - 2003. ESD switched to the NAICS classification system in 2002, making direct comparison by sector difficult for years prior to 2002. U.S. Census Bureau: County Business Patterns, 2001. The latter uses the NAICS classification of sectors.

Location quotients are ratios which identify which industry sectors contribute to the economic base through exports. The formula for Location Quotients is:

$$\frac{(\text{Total workers in a particular sector in King County})}{(\text{Total employment in King County})} \div \frac{(\text{Total workers in a particular sector in the U.S.})}{(\text{Total employment in the U.S.})}$$

The higher a sector's Location Quotient is, the more it exports to the rest of the state, nation or world.

### Indicator 7: Educational Background of Adult Population

**Data Source:** Decennial Census of Population (1970, 1980, 1990, 2000). *American Community Survey*, 2002..

### Indicator 8: Twelfth Grade Graduation Rate

**Data Source:** Washington State Office of the Superintendent of Public Instruction (OSPI), Olympia: 2004. See also "Helping Students Finish School: Why Students Dropout and How to Help Them Graduate", OSPI, 2003. Reports on the Manhattan Institute studies appeared in the Seattle PI, August 28, 2002 and September 17, 2003.